

## **A STRATEGIC CROSSROADS –**

### **THE CHALLENGE FOR THE UN, EU AND NATO IN AN UNCERTAIN FUTURE**

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Oslo is an appropriate place for a British politician to take stock of the international security position. This, of course, is the capital of one of our staunchest allies, with whom we have fought together against the evil of Nazism, through the darkest days of the Cold War, and most recently in the skies over Libya.

As so often in our shared past, today we stand at another crossroads.

Since the end of World War Two, there have been three guiding symbols on our route map – the United Nations, the European Union and NATO. Yet the self-confidence - let alone the effectiveness - of all three is, to some degree or another, under question today. All three were products of their age. A United Nations with the victorious powers of the Second World War holding an all powerful veto; a European Union to promote trade between European countries; and a military alliance that would prove to be a counterpoint – both nuclear and conventional – against growing Soviet power.

But times change.

The fall of the Berlin Wall and the dissolution of the Soviet Union brought an end to the bipolar power structure that had shaped the security picture for half a century. The brief period of American dominance was rapidly followed by the new process of globalisation introducing new opportunities as well as challenges. We have seen a growth in global trade and prosperity with the value of the global economy growing from \$30 trillion in 2000 to around \$69 trillion only twelve years later. But this new emerging economic order, with its sensitivity and interdependence, also brings the unavoidable importation of strategic risk.

Shocks -- whether economic or security or acts of nature -- rapidly reverberate around the world. And we need to ask ourselves -- are the structures that we have today up to the task of dealing with the complexities of globalisation?

There are those who believe that no changes are required and that the trajectories originally set must be followed. There are others who believe that complete institutional change is required. I believe that the correct course lies somewhere in between, recognising the need for institutions to evolve in the light of changing circumstances.

There is no doubt that many of our assumptions about power are being challenged. The shifting sands of international influence are drifting eastwards. Europe and the United States are going through a period of economic difficulty which is not simply the kind of cyclical correction that we have seen in recent decades but rather a structural adjustment and is likely to take 10 years or even more.

We are paying the price for decades of over-borrowing, overspending and over-regulating that have left us disadvantaged in an ever more competitive global economy. Norway may have a huge sovereign wealth fund but it will not be immune to the economic consequences facing many of its trading partners. All this is challenging, yes, but not depressing.

We should remind ourselves that the global economy is still -- regardless of current difficulties -- dominated by the economies of Europe and North America with the G8 alone contributing 65% of global GDP.

The United Nations, the EU and NATO may be the structures of an old world order, that is now being questioned, but they still have a contribution to make diplomatically, economically and militarily.

Today, I'd like to look briefly at the future for all three of these institutions- but more especially the EU and NATO - and focus on where, I believe, the United Kingdom, Norway and others like us, still have plenty to contribute as independent sovereign states working together within our various partnerships to contribute to global prosperity and security.

## **United Nations**

The British Prime Minister, David Cameron, addressed the United Nations General Assembly last month and spoke at some length about the Arab Spring. Like him, I am in no doubt that the Middle East and North Africa are better without the dictators that have oppressed their people and sponsored global terrorism and, like him, I am against forcing these new democracies to immediately adopt our own democratic norms. Their transition from autocracy to democracy will take time. This, as our Prime Minister says, is not about "One person: one vote. Once." but about ensuring that a democracy develops and survives that gives people in the Middle East the voice they have craved for so long.

With a United Nations mandate, NATO action in Libya was swift and decisive. Libya is not yet the finished article and the recent spike in violence is a grave concern but it doesn't mean that we should have done anything other than helping the Libyan people rid themselves of Colonel Qadhafi and his vicious regime.

It was an example of a United Nations working well.

In Syria, if the question is essentially the same, the response has been very different. Kofi Annan has recently warned that where it seemed obvious that Libya would implode; it seems just as obvious that Syria may explode and destabilise the whole region. Yet we have a Security Council that is paralysed by an obstructive and self-interested Russia that is creating space in which President Assad can manoeuvre. This is a conflict that has now been in full force for over eighteen months – tens of thousands may have died; hundreds of thousands have fled and the risk of contagion grows all the time -- and the UN looks impotent.

The cross border fire in to Turkey was inflammatory enough but the outbreak of violence in Lebanon is potentially a game changer. Lebanon is the weakest of Syria's neighbours and the most polarised in its religious make-up. The fighting last week in Beirut and Tripoli is a very worrying sign of how the civil war in Syria could put a match to the tinderbox that is that corner of the Mediterranean. Iranian influence will not be far beneath the surface nor will the capabilities of Hezbollah. The threat of these two overtly engaging in the conflict must be enough to make us redouble our efforts to find a solution.

In New York, David Cameron said "no-one of conscience can turn a deaf ear to the voices of suffering." Well, those voices have been getting louder in recent weeks and we are now approaching the point where the world will look to the UN Security Council for an answer. It is my view that an increasingly obdurate Russia seeking to preserve its sphere of influence is a retrograde step that weakens the Security Council, and takes us back towards the diplomatic stalemates of the Cold War.

In rebalancing the power structures and financial base of the United Nations we will need to take into account not only the changing realities of our multi-polar world but ensure that the will of the global community is not thwarted by those whose behaviour reflects attitudes that should have been left in the past.

## **European Union**

Turning closer to home, the threat of conflict between nation states on continental Europe can never have been lower in our recent history. The conflicts in the Balkans are largely, if not completely, resolved and European countries are now linked through alliances and treaties that make us economically, militarily and politically inter-connected in a way that we have never been before. But this drift towards greater interdependence is not a one way ticket towards a European utopia in fact – if we are not careful - it could be quite the opposite.

And let me, at this point, make it clear that we must not allow the terms European Union and Europe to become synonymous. Europe is a continent of nation states and sovereign peoples.

The European Union is a political construct which exists solely as a result of treaty. Brussels bureaucrats love to talk about European foreign policy or the European ambassador to Washington. We should not let them and remind them that Norway and Switzerland which are part of Europe but not the EU are doing rather better than the rest.

Last week a German journalist, Bernd Ulrich, wrote in Die Zeit a stinging analysis of the Europhile academics and bureaucrats – or "Europhorics" as he called them - who sit undetected in the political mainstream, observing that they have managed to turn Europe into an ideology, and those who dissent are cast as right wing extremists and populists.

He went on: "In their attempt to escape from the demons of the past by the full integration of a Europe of nation states sapped of their meaning, they have ended up right back in the past."

Strong stuff but how right he is. I have long felt that the reason the United Kingdom has not had the same need to follow the pack in to an ever closer union is because we don't share the same need to bury our history of the twentieth century in the European project.

Hardship and a sense of injustice are the mother and father of extremism and we must be careful – very careful – to ensure that as the Eurozone's wealthiest push for ever closer union to secure their own interests, it does not push others in to a place their people do not want to be.

The rise of the True Finn Party in Finland and other far right and far left groupings across the EU is a warning that tolerances are already being tested. Memories are clearly longer than politicians seem to think and the riots in Athens and Madrid may just be the tip of the iceberg.

Many of those who voted across Europe to become part of the EEC, the EC or the EU did so because they believed that we needed to contain the forces of nationalism across the European continent so that we did not repeat the mistakes of the past. How tragic and unforgivable it would be if the blind dogma of those who see the euro as an indispensable -- and irreversible -- part of the drive to ever closer union would foster the same sentiments of nationalist fervour. The ink on the pages of European history is still too wet for external austerity packages being enforced upon others by Berlin to be easily tolerated. It does not matter whether this is an unfair caricature or not -- it is the perception that counts.

And it is not just in the political arena where resentment is being created. The economic consequences of trying to rectify the flawed logic of the euro project, the fact that the wrong countries were allowed to join and fiscal discipline was all but absent, are immense. The price of failure can already be seen with youth unemployment at 50 per cent in Spain and 54 per cent in Greece.

And for what? So that those for whom unquestioning obedience to the ever closer union doctrine can retire with their gold-plated Euro pensions and claim "job done"?

We need to wake up.

There is a danger that the future of a whole generation of young Europeans is being sacrificed on the altar of the Euro.

Is that what we are willing to tolerate? Is that what anyone really intended? Is that the European legacy that we want to leave those who come after us?

So what can be done?

Assuming that some countries are now so implacably wedded to the concept of the single currency I believe the only way for the project to succeed would be for those countries who are fiscally similar to move to greater economic and political union. I believe their logic is fundamentally flawed.

It is not going to be the panacea they believe and it will create a very different European Union in the future. Certainly, many of us in the United Kingdom will use this new dynamic with its variable levels of integration to argue for a new looser relationship for Britain.

What is a particular worry for many of us is that the Eurozone might try to defuse the crisis by attempting a managed exit by Greece alone.

This could be catastrophic.

Those who remember Britain's plight during its exit from the Exchange Rate Mechanism will know that the markets are vicious in the way they sniff out the next to fall. There are Hedge Funds already in place to benefit from a Greek exit and they won't be sated once they've gorged themselves on that. They'll simply look for the next weakest economy and wait for their pay day.

The only way to counter this is for those nations within the Eurozone that do comply with the economic criteria for a sustainable single currency, to manage the exit – in a single tranche – of those who do not.

The stakes are too high to play fast and loose with the economics and politics of the European continent -- not only for those members in the Eurozone but for those of us who are already feeling the impact of its appalling mismanagement in the European neighbourhood and beyond.

History will not easily forget those who add to the current problems rather than learning from them.

## **NATO**

But the area on which I want to focus the most is NATO who, incidentally, I suspect are probably the more deserving winner of a prize for ensuring peace in Europe!

The Alliance saw us through the long Cold War. It did not deliver us victory alone – it was also the triumph of liberty and human spirit over the communist ideology – but it has underpinned our freedoms for over half a century.

Since the Cold War, NATO has attempted to find a role. Its part in the Balkans proved that the alliance was capable of more than just deterring the Soviet hoards from pouring across the Northern European plains.

And then we came to Afghanistan.

A nuclear alliance with dozens of armoured divisions was never designed to fight a counter insurgency operation in Central Asia. But it is doing so and the results are coming small step by small step. NATO will not leave in 2015 with Afghanistan as a fully functioning democracy with secure borders and an internal security infrastructure capable of policing all corners of the country. Nor will the political settlement be entirely to Western tastes. But it will be transformed from the situation we found there in 2001 and capable of shaping its own destiny with improved prosperity and security.

The skill, commitment and courage of troops from across the alliance – including those from Norway and the United Kingdom – has given Afghanistan a chance of emerging from the oppressive feudal society presided over by the Taleban and from which an unprecedented level of terror was conceived.

NATO has adapted and has been successful in doing so.

Last summer, NATO operations in Libya showed another dimension to the alliance's arsenal that may still become the blueprint for similar operations elsewhere. NATO's command and control; the interoperability of its troops; the continued enthusiasm of its members; and the shared ideals that are at its core, are enough to ensure its survival for another fifty years and more.

But air and missile support to those rebelling against oppressive regimes is not all that NATO must expect of itself.

The existential threat that spawned the alliance in the first place may have gone for now but the geopolitical landscape is changing and, as history teaches us, can produce unexpected challenges.

I was in Estonia very recently and I know the concerns that they, and the other Baltic countries, have over energy and cyber security and a growing Russian belligerency in the region. I know also that here, in Norway, and across our allies in the High North the need to defend resources under the ice cap; protect islands in territorial waters that become attractive as the ice recedes; and to police the sea lane that may soon open up between the North Atlantic and the North Pacific is well understood and your defence capabilities are being balanced to meet those challenges.

NATO must maintain a firm commitment to arm itself and train for competition in the High North from wherever it may come.

My own visit to Svalbard brought home to me the strategic value of the region and the potential tensions where four NATO members share territorial responsibility with Russia. It is unavoidably a NATO issue now and in the future. The threat that you perceive is credible because the appetite for gas and oil in rapidly growing economies could easily cause tensions that we find it hard to imagine today.

The importance of the European NATO powers building forces that are resilient enough to counter the threat in the High North and Baltic is much more important now than it has been at any time previously in the Alliance's history. The threat is not necessarily on the rise but because the United States has embarked on a strategic pivot towards Asia-Pacific, other NATO members must be ready to carry more of the budgetary burden than in recent years.

I don't think the American rebalancing means the US will be turning its back on Europe but certainly there will be an expectation in the Pentagon that NATO's European members start doing some of the heavy lifting in the Middle East and Africa – and in this region too. That expectation should hold no fear for us but it does mean that European governments within NATO cannot continue to take chunks out of their defence budgets in the expectation that there will always be an inexhaustible US defence budget to bail us out.

Frankly, we would not have been successful in the Libyan campaign if it had not been for the availability of American assets, particularly for air to air refuelling and reconnaissance.

European members of NATO cannot continue to reduce the military commitment to the alliance and depend eternally on the patience and generosity of American taxpayers who rightly expect their allies to pull their full weight.

The answer, however, is certainly not an EU Defence Force. For one, there are some very well equipped militaries within Europe that are not part of the EU but are a proud part of NATO – Norway being the obvious example – and secondly, NATO has an existing Command and Control infrastructure and mechanism for mobilising troops that is decades ahead of an EU force.

Without additional resources, on top of NATO funding, the concept of an EU defence Force is little more than a vanity project for the integrationists, which risks diluting already overstretched NATO funding and introducing pointless duplication.

So what else is to be done if NATO is to continue as the bedrock for coalition based military activities in the European theatre and in the near abroad?

When I was in Oslo last, it was almost two years ago and I was addressing the Northern Group as the UK's Secretary of State for Defence. I am delighted to see that the Northern Group has developed its links further over the last two years and was particularly pleased by the signing of a Memorandum of Understanding on Defence between the UK and Norway in March this year.

As one of our closest neighbours and a long standing ally, it is entirely right that our two countries should have such close links. We have mutual interests in the North Sea; and in the development of other energy resources further north; and we have the same interests in the surveillance and deterrence of destabilising activity in the Arctic.

Training events like Exercise Cold Response are an essential part of this and I hope that as UK troops return from Afghanistan and recommence training for contingency operations, exercises in the Arctic will return as one of their staple activities.

Russia has made its interest in the Baltic and High North very clear and their aim for the Arctic to be the country's premier resource base by 2025 is potentially at odds with the policies of their neighbours. In NATO, and reinforced through the MOUs with Britain, Germany and the Netherlands, Norway has allies that are re-awakening to the threats in the North.

Furthermore, this Russian statement of intent and the nervousness it rightly breeds amongst our allies in the Baltic and the north, is the perfect vindication of NATO's continued existence.

The pivot of the United States does not in any way weaken NATO. But it does demonstrate that it is time for the European side of NATO to take stock of the threats it now faces and to renew its commitment – both financial and military – to supporting the alliance in meeting those threats and, thus, safeguarding our collective security.

## **Conclusion**

We may, as I said at the outset, be at a strategic crossroads today but our nations have travelled a long way together and dealt successfully with many challenges over many years.

And we have done so not just because we had to deal with common threats and have developed outstanding military cooperation but because we have many shared values.

The Cold War, for example, did not end -- the Cold War was won.

And it was won because the free West was not only militarily and economically stronger than the Soviet Union but because our belief in freedom, democracy and human rights was always going to triumph over the repressive and soulless ideology of communism.

So we should have confidence in our ability to shape a rapidly changing world where the challenges of globalisation require us to think in much more complex ways than the bipolarity of the Cold War ever required. Our structures may need updating but they are not yet obsolete.

The United Nations requires reform and the European Union faces a self-imposed crisis through the Eurozone but both can, and must, be resolved. NATO has adapted to new challenges but all its members need to remember that an alliance based on warm words but without the necessary military hardware and spending cannot continue indefinitely.

One thing about politics that you can be sure about is that it is never dull and the only thing that is certain in the world is that the world is an uncertain place. But if we have confidence in our friends, understand the lessons from our history and have faith in the values that we hold together – the people of our respective countries can take comfort from the close alignment of our interests and the potential for our long-standing friendship to become closer still.